

**2018**

Form **1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return** **2018** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing status: ☐ Single ☒ Married filing jointly ☐ Married filing separately ☐ Head of household ☐ Qualifying widow(er)

Your first name and initial **MICHAEL** Last name **SHELLENBERGER** Your social security number [REDACTED]

Your standard deduction: ☐ Someone can claim you as a dependent ☐ You were born before January 2, 1954 ☐ You are blind

If joint return, spouse's first name and initial **HELEN** Last name **LEE** Spouse's social security number [REDACTED]

Spouse standard deduction: ☐ Someone can claim your spouse as a dependent ☐ Spouse was born before January 2, 1954 ☒ Full-year health care coverage or exempt (see instr.)

☐ Spouse is blind ☐ Spouse itemizes on a separate return or you were a dual-status alien

Home address (number and street). If you have a P.O. box, see instructions. [REDACTED] Apt. no. [REDACTED]

City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6. [REDACTED]

Presidential Election Campaign (see instr.) ☐ You ☐ Spouse

If more than four dependents, see instr. and here ☐

Dependents (see instructions):

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) If qualifies for (see instr.)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Child tax credit [REDACTED] Credit for other dependents [REDACTED]

**Sign Here** Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions. Keep a copy for your records. ☒

Your signature \_\_\_\_\_ Date \_\_\_\_\_ Your occupation **BUSINESS OWNER/MANAGER**

Spouse's signature. If a joint return, both must sign. \_\_\_\_\_ Date \_\_\_\_\_ Spouse's occupation **SENIOR RESEARCH ASSOCIATE**

If the IRS sent you an Identity Protection PIN, enter it here (see instr.) [REDACTED]

If the IRS sent you an Identity Protection PIN, enter it here (see instr.) [REDACTED]

Preparer's name **ANTHONY BARR** Preparer's signature **ANTHONY BARR** PTIN **\*\*\*\*\***

Firm's name **THE HENRI LEVY GROUP** Firm's address **OAKLAND CA 94618-1385** Phone no. **510-652-1000**

Check if: ☒ 3rd Party Designee ☐ Self-employed

**Paid Preparer Use Only**

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Form **1040** (2018)

Form 1040 (2018) **MICHAEL SHELLENBERGER & HELEN LEE**

Page 2

Attach Form(s)  
W-2. Also attach  
Form(s) W-2G and  
1099-R if tax was  
withheld.

**Standard  
Deduction for -**

- Single or married  
filing separately,  
\$12,000
- Married filing  
jointly or Qualifying  
widow(er),  
\$24,000
- Head of  
household,  
\$18,000
- If you checked  
any box under  
Standard  
deduction,  
see instructions.

1	Wages, salaries, tips, etc. Attach Form(s) W-2	1	279,266
2a	Tax-exempt interest	2a	
3a	Qualified dividends	3a	
4a	IRAs, pensions, and annuities	4a	
5a	Social security benefits	5a	
6	Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22	6	23,798
7	Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise subtract Schedule 1, line 36, from line 6	7	298,049
8	Standard deduction or itemized deductions (from Schedule A)	8	32,718
9	Qualified business income deduction (see instructions)	9	3,757
10	Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-	10	261,574
11	a Tax (see instr.) 51,357 (check if any from: <input type="checkbox"/> Form(s) 8814 <input type="checkbox"/> Form 4972 3 <input type="checkbox"/> )	11	51,357
12	b Add any amount from Schedule 2 and check here	12	
13	a Child tax credit/credit for other dependents	13	51,357
14	b Add any amount from Schedule 3 and check here	14	1,174
15	Subtract line 12 from line 11. If zero or less, enter -0-	15	52,531
16	Other taxes. Attach Schedule 4	16	43,770
17	Total tax. Add lines 13 and 14	17	
18	Federal income tax withheld from Forms W-2 and 1099	18	43,770
19	Refundable credits: a EIC (see instr.) b Sch 8812	19	
20a	c Form 8863	20a	
21	Add any amount from Schedule 5	21	
22	Add lines 16 and 17. These are your total payments	22	8,761
23	If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid	23	
24	Amount of line 19 you want refunded to you. If Form 8888 is attached, check here	24	
25	a Routing number	25	
26	b Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	26	
27	c Account number	27	
28	Amount of line 19 you want applied to your 2019 estimated tax	28	
29	Amount you owe. Subtract line 18 from line 15. For details on how to pay, see instructions	29	
30	Estimated tax penalty (see instructions)	30	

**Refund**

Direct deposit?  
See instructions.

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

Form 1040 (2018)

**SCHEDULE 1**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service**Additional Income and Adjustments to Income**Attach to Form 1040.  
Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

OMB No. 1545-0074

**2018**Attachment  
Sequence No. 01

Name(s) shown on Form 1040

Your social security number

**MICHAEL SHELLENBERGER & HELEN LEE**

<b>Additional Income</b>	<b>1-9b</b>	
<b>10</b> Taxable refunds, credits, or offsets of state and local income taxes	<b>10</b>	
<b>11</b> Alimony received	<b>11</b>	
<b>12</b> Business income or (loss). Attach Schedule C or C-EZ	<b>12</b>	<b>23,798</b>
<b>13</b> Capital gain or (loss). Attach Schedule D if required. If not required, check here	<b>13</b>	
<b>14</b> Other gains or (losses). Attach Form 4797	<b>14</b>	
<b>15a</b> Reserved	<b>15b</b>	
<b>16a</b> Reserved	<b>16b</b>	
<b>17</b> Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	<b>17</b>	
<b>18</b> Farm income or (loss). Attach Schedule F	<b>18</b>	
<b>19</b> Unemployment compensation	<b>19</b>	
<b>20a</b> Reserved	<b>20b</b>	
<b>21</b> Other income. List type and amount	<b>21</b>	
<b>22</b> Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23	<b>22</b>	<b>23,798</b>
<b>Adjustments to Income</b>	<b>23</b>	
<b>24</b> Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	<b>24</b>	
<b>25</b> Health savings account deduction. Attach Form 8889	<b>25</b>	
<b>26</b> Moving expenses for members of the Armed Forces. Attach Form 3903	<b>26</b>	
<b>27</b> Deductible part of self-employment tax. Attach Schedule SE	<b>27</b>	<b>319</b>
<b>28</b> Self-employed SE, SIMPLE, and qualified plans	<b>28</b>	<b>4,696</b>
<b>29</b> Self-employed health insurance deduction	<b>29</b>	
<b>30</b> Penalty on early withdrawal of savings	<b>30</b>	
<b>31a</b> Alimony paid <b>b</b> Recipient's SSN	<b>31a</b>	
<b>32</b> IRA deduction	<b>32</b>	
<b>33</b> Student loan interest deduction	<b>33</b>	
<b>34</b> Reserved	<b>34</b>	
<b>35</b> Reserved	<b>35</b>	
<b>36</b> Add lines 23 through 35	<b>36</b>	<b>5,015</b>

For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 1 (Form 1040) 2018

**SCHEDULE 4**  
**(Form 1040)****Other Taxes**

OMB No. 1545-0074

**2018**Attachment  
Sequence No. **04**Department of the Treasury  
Internal Revenue Service

Attach to Form 1040.

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

Name(s) shown on Form 1040

Your social security number

\*\*\*-\*\*-\*\*\*\*

**MICHAEL SHELLENBERGER & HELEN LEE****Other  
Taxes**

57	Self-employment tax. Attach Schedule SE	57	637
58	Unreported social security and Medicare tax from: Form <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58	
59	Additional tax on IRAs, other qualified retirement plans, and other tax-favored accounts. Attach Form 5329 if required	59	
60a	Household employment taxes. Attach Schedule H	60a	
b	Repayment of first-time homebuyer credit from Form 5405. Attach Form 5405 if required	60b	
61	Health care: individual responsibility (see instructions)	61	
62	Taxes from: a <input checked="" type="checkbox"/> 8959 b <input type="checkbox"/> 8960 c <input type="checkbox"/> Instructions; enter code(s)	62	537
63	Section 965 net tax liability installment from Form 965-A <span style="float: right;">63</span>		
64	Add the amounts in the far right column. These are your <b>total other taxes</b> . Enter here and on Form 1040, line 14	64	1,174

For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 4 (Form 1040) 2018

# Client Copy

Form **2210**Department of the Treasury  
Internal Revenue Service

Name(s) shown on tax return

**Underpayment of Estimated Tax by  
Individuals, Estates, and Trusts**Go to [www.irs.gov/Form2210](http://www.irs.gov/Form2210) for instructions and the latest information.

Attach to Form 1040, 1040NR, 1040NR-EZ, or 1041.

OMB No. 1545-0074

**2018**Attachment  
Sequence No. **06****MICHAEL SHELLINGER & HELEN LEE**

Identifying number

\*\*\*-\*\*-XXXX

**Do You Have To File Form 2210?**

Complete lines 1 through 7 below. Is line 7 less than \$1,000?

Yes

Don't file Form 2210. You don't owe a penalty.

No

Complete lines 8 and 9 below. Is line 6 equal to or more than line 9?

Yes

You don't owe a penalty. **Don't file Form 2210**  
(but if box E in Part II applies, you must file page 1 of  
Form 2210).

No

You may owe a penalty. Does any box in Part II below apply?

Yes

You must file Form 2210. Does box B, C, or D in Part II  
apply?

No

Yes

You must figure your penalty

**Don't file Form 2210.** You aren't required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but **don't file Form 2210.**

You aren't required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but **file only page 1 of Form 2210.**

**Part I Required Annual Payment**

1 Enter your 2018 tax after credits from Form 1040 line 11 (see instructions) (not filing Form 1040).....

2 Other taxes, including self-employment tax and, if applicable, Additional Medicare Tax and Net Investment Income Tax (see instructions).....

3 Refundable credits, including the premium tax credit (see instructions).....

4 Current year tax. Combine lines 1, 2, and 3. If less than \$1,000, **stop**; you don't owe a penalty.  
**Don't file Form 2210**.....

5 Multiply line 4 by 90% (0.90).....

6 Withholding taxes. **Don't** include estimated tax payments (see instructions).....7 Subtract line 6 from line 4. If less than \$1,000, **stop**; you don't owe a penalty. **Don't file Form 2210**.....

8 Maximum required annual payment based on prior year's tax (see instructions).....

9 **Required annual payment.** Enter the **smaller** of line 5 or line 8.....

Next: Is line 9 more than line 6?

☐ **No.** You don't owe a penalty. **Don't file Form 2210** unless box E below applies.☒ **Yes.** You may owe a penalty, but **don't file Form 2210** unless one or more boxes in Part II below applies.

• If box B, C, or D applies, you must figure your penalty and file Form 2210.

• If box A or E applies (but not B, C, or D) file only page 1 of Form 2210. You **aren't** required to figure your penalty; the IRS will figure it and send you a bill for any unpaid amount. If you want to figure your penalty, you may use Part III or IV as a worksheet and enter your penalty on your tax return, but **file only page 1 of Form 2210.****Part II Reasons for Filing. Check applicable boxes. If none apply, don't file Form 2210.**A ☒ You request a **waiver** (see instructions) of your entire penalty due to tax reform or other reasons. You must check this box **80% WAIVER** and file page 1 of Form 2210, but you aren't required to figure your penalty.B ☐ You request a **waiver** (see instructions) of part of your penalty. You must figure your penalty and waiver amount and file Form 2210.C ☐ Your income varied during the year and your penalty is reduced or eliminated when figured using the **annualized income installment method**. You must figure the penalty using Schedule AI and file Form 2210.D ☐ Your penalty is lower when figured by treating the federal income tax withheld from your income as paid on the dates it was actually withheld, instead of in equal amounts on the payment due dates. You must figure your penalty and file Form 2210.E ☐ You filed or are filing a joint return for either 2017 or 2018, but not for both years, and line 8 above is smaller than line 5 above. You must file page 1 of Form 2210, but you **aren't** required to figure your penalty (unless box B, C, or D applies).

For Paperwork Reduction Act Notice, see separate instructions.

Form **2210** (2018)

**SCHEDULE A  
(Form 1040)**Department of the Treasury  
Internal Revenue Service (99)**Itemized Deductions**Go to [www.irs.gov/ScheduleA](http://www.irs.gov/ScheduleA) for instructions and the latest information.▶ **Attach to Form 1040.****Caution:** If you are claiming a net qualified disaster loss on Form 4684, see the instructions for line 16.

OMB No. 1545-0074

**2018**Attachment  
Sequence No. **07**

Name(s) shown on return

Your social security number

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**MICHAEL SHELLENBERGER & HELEN LEE**

<b>Medical and Dental Expenses</b>	<b>Caution:</b> Do not include expenses reimbursed or paid by others.		
1 Medical and dental expenses (see instructions)		1	
2 Enter amount from Form 1040, line 7	2	2	
3 Multiply line 2 by 7.5% (0.075)		3	
4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		4	
<b>Taxes You Paid</b>	5 State and local taxes.		
	a State and local income taxes or general sales taxes. You may include either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box <input type="checkbox"/>	5a	24,727
	b State and local real estate taxes (see instructions)	5b	7,278
	c State and local personal property taxes	5c	
	d Add lines 5a through 5c	5d	32,005
	e Enter the smaller of line 5d or \$10,000 (\$5,000 if married filing separately)	5e	10,000
	6 Other taxes. List type and amount	6	
	7 Add lines 5e and 6	7	10,000
<b>Interest You Paid</b>	8 Home mortgage interest and points. If you didn't use all of your home mortgage loan(s) to buy, build, or improve your home, see instructions and check this box <input type="checkbox"/>		
<b>Caution:</b> Your mortgage interest deduction may be limited (see instructions).	a Home mortgage interest and points reported to you on Form 1098	8a	22,665
	b Home mortgage interest not reported to you on Form 1098, if paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address	8b	
	c Points not reported to you on Form 1098. See instructions for special rules	8c	53
	d Reserved	8d	
	e Add lines 8a through 8c	8e	22,718
	9 Investment interest. Attach Form 4952 if required. See instructions	9	
	10 Add lines 8e and 9	10	22,718
<b>Gifts to Charity</b>	11 Gifts by cash or check. If you made any gift of \$250 or more, see instructions	11	
<b>If you made a gift and got a benefit for it, see instructions.</b>	12 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	12	
	13 Carryover from prior year	13	
	14 Add lines 11 through 13	14	
<b>Casualty and Theft Losses</b>	15 Casualty and theft loss(es) from a federally declared disaster (other than net qualified disaster losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions	15	
<b>Other Itemized Deductions</b>	16 Other—from list in instructions. List type and amount	16	
<b>Total Itemized Deductions</b>	17 Add the amounts in the far right column for lines 4 through 16. Also, enter this amount on Form 1040, line 8	17	32,718
	18 If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>		

For Paperwork Reduction Act Notice, see the Instructions for Form 1040.

Schedule A (Form 1040) 2018

**SCHEDULE C  
(Form 1040)****Profit or Loss From Business**

(Sole Proprietorship)

OMB No. 1545-0074

**2018**Attachment  
Sequence No. **09**Department of the Treasury  
Internal Revenue Service (99)Go to [www.irs.gov/ScheduleC](http://www.irs.gov/ScheduleC) for instructions and the latest information.  
Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor

**MICHAEL SHELLENBERGER**

Social security number (SSN)

**A** Principal business or profession, including product or service (see instructions)  
**ENVIRONMENTAL CONSULTING****B** Enter code from instructions**541990****C** Business name. If no separate business name, leave blank.**D** Employer ID number (EIN) (see instr.)**E** Business address (including suite or room no.)

City, town or post office, state, and ZIP code

**F** Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify)**G** Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on losses ☒ Yes ☐ No**H** If you started or acquired this business during 2018, check here**I** Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions)**J** If "Yes," did you or will you file required Forms 1099? ☐ Yes ☒ No**Part I Income**

<b>1</b> Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	<b>1</b>	<b>28,426</b>
<b>2</b> Returns and allowances	<b>2</b>	
<b>3</b> Subtract line 2 from line 1	<b>3</b>	<b>28,426</b>
<b>4</b> Cost of goods sold (from line 42)	<b>4</b>	
<b>5</b> Gross profit. Subtract line 4 from line 3	<b>5</b>	<b>28,426</b>
<b>6</b> Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	<b>6</b>	
<b>7</b> Gross income. Add lines 5 and 6	<b>7</b>	<b>28,426</b>

**Part II Expenses. Enter expenses for business use of your home only on line 30.**

<b>8</b> Advertising	<b>8</b>		<b>18</b> Office expense (see instructions)	<b>18</b>	
<b>9</b> Car and truck expenses (see instructions)	<b>9</b>		<b>19</b> Pension and profit-sharing plans	<b>19</b>	
<b>10</b> Commissions and fees	<b>10</b>		<b>20</b> Rent or lease (see instructions):	<b>20a</b>	
<b>11</b> Contract labor (see instructions)	<b>11</b>		<b>a</b> Vehicle, machinery, and equipment	<b>20b</b>	
<b>12</b> Depletion	<b>12</b>		<b>b</b> Other business property	<b>21</b>	
<b>13</b> Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	<b>13</b>		<b>21</b> Repairs and maintenance	<b>22</b>	
<b>14</b> Employee benefit programs (other than on line 19)	<b>14</b>		<b>22</b> Supplies (not included in Part III)	<b>23</b>	
<b>15</b> Insurance (other than health)	<b>15</b>		<b>23</b> Taxes and licenses	<b>24</b>	
<b>16</b> Interest (see instructions):	<b>16a</b>		<b>24</b> Travel and meals:	<b>24a</b>	
<b>a</b> Mortgage (paid to banks, etc.)	<b>16b</b>		<b>a</b> Travel	<b>24b</b>	
<b>b</b> Other	<b>17</b>		<b>b</b> Deductible meals (see instructions)	<b>25</b>	
<b>17</b> Legal and professional services	<b>17</b>		<b>25</b> Utilities	<b>26</b>	
<b>18</b> Total expenses before expenses for business use of home. Add lines 8 through 27a	<b>18</b>		<b>26</b> Wages (less employment credits)	<b>27a</b>	
<b>19</b> Tentative profit or (loss). Subtract line 28 from line 7	<b>19</b>	<b>0</b>	<b>b</b> Reserved for future use	<b>27b</b>	
<b>20</b> Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home; and (b) the part of your home used for business: . Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	<b>20</b>	<b>28,426</b>		<b>30</b>	<b>4,628</b>
<b>21</b> Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	<b>21</b>	<b>23,798</b>		<b>31</b>	
<b>22</b> If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.	<b>22</b>		<b>32a</b> <input type="checkbox"/> All investment is at risk. <b>32b</b> <input type="checkbox"/> Some investment is not at risk.		

For Paperwork Reduction Act Notice, see the separate instructions.  
DAA

Schedule C (Form 1040) 2018

Schedule SE (Form 1040) 2018

Attachment Sequence No. 17

Page 2

Name of person with self-employment income (as shown on Form 1040 or Form 1040NR)

MICHAEL

SHELLENBERGER

Social security number of person with self-employment income

## Section B — Long Schedule SE

## Part I Self-employment tax

Note: If your only income subject to self-employment tax is church employee income, see instructions. Also see instructions for the definition of church employee income.

A If you are a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361, but you had \$400 or more of other net earnings from self-employment, check here and continue with Part I ☐

1a Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A. Note: Skip lines 1a and 1b if you use the farm optional method (see instructions)

1b If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code AH

2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see instructions for types of income to report on this line. See instructions for other income to report. Note: Skip this line if you use the nonfarm optional method (see instructions)

3 Combine lines 1a, 1b, and 2

4a If line 3 is more than zero, multiply line 3 by 92.35% (0.9235). Otherwise, enter amount from line 3. Note: If line 4a is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions. If you elect one or both of the optional methods, enter the total of lines 15 and 17 here

4b

4c Exception: If less than \$400 and you had church employee income, enter -0- and continue

5a Enter your church employee income from Form W-2. See instructions for definition of church employee income

5b Multiply line 5a by 92.35% (0.9235). If less than \$100, enter -0-

6 Add lines 4c and 5b

7 Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2018

8a Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$128,400 or more, skip lines 8b through 10, and go to line 11

8b Unreported tips subject to social security tax (from Form 4137, line 10)

8c Wages subject to social security tax (from Form 8919, line 10)

8d Add lines 8a, 8b, and 8c

9 Subtract line 8d from line 7. If zero or less, enter -0- here and on line 10 and go to line 11

10 Multiply the smaller of line 6 or line 9 by 12.4% (0.124)

11 Multiply line 6 by 2.9% (0.029)

12 Self-employment tax. Add lines 10 and 11. Enter here and on Schedule 4 (Form 1040), line 57, or Form 1040NR, line 55

13 Deduction for one-half of self-employment tax. Multiply line 12 by 50% (0.50). Enter the result here and on Schedule 1 (Form 1040), line 27, or Form 1040NR, line 27

1a	
1b	
2	23,798
3	23,798
4a	21,977
4b	
4c	21,977
5a	
5b	0
6	21,977
7	128,400
8a	128,400
8b	
8c	
8d	
9	
10	
11	637
12	637
13	319

## Part II Optional Methods To Figure Net Earnings (see instructions)

Farm Optional Method. You may use this method only if (a) your gross farm income<sup>1</sup> wasn't more than \$7,920, or (b) your net farm profits<sup>2</sup> were less than \$5,717.

14 Maximum income for optional methods

15 Enter the smaller of: two-thirds ( $\frac{2}{3}$ ) of gross farm income<sup>1</sup> (not less than zero) or \$5,280. Also include this amount on line 4b above

14	5,280
15	

Nonfarm Optional Method. You may use this method only if (a) your net nonfarm profits<sup>3</sup> were less than \$5,717 and also less than 72.189% of your gross nonfarm income,<sup>4</sup> and (b) you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years. Caution: You may use this method no more than five times.

16 Subtract line 15 from line 14

17 Enter the smaller of: two-thirds ( $\frac{2}{3}$ ) of gross nonfarm income<sup>4</sup> (not less than zero) or the amount on line 16. Also include this amount on line 4b above

16	
17	

<sup>1</sup> From Sch. F, line 9, and Sch. K-1 (Form 1065), box 14, code B.

<sup>2</sup> From Sch. F, line 34, and Sch. K-1 (Form 1065), box 14, code A — minus the amount you would have entered on line 1b had you not used the optional method.

<sup>3</sup> From Sch. C, line 31; Sch. C-EZ, line 3; Sch. K-1 (Form 1065), box 14, code A; and Sch. K-1 (Form 1065-B), box 9, code J1.

<sup>4</sup> From Sch. C, line 7; Sch. C-EZ, line 1; Sch. K-1 (Form 1065), box 14, code C; and Sch. K-1 (Form 1065-B), box 9, code J2.

Form **8959****Additional Medicare Tax**If any line does not apply to you, leave it blank. See separate instructions.  
Attach to Form 1040, 1040NR, 1040-PR, or 1040-SS.Go to [www.irs.gov/Form8959](http://www.irs.gov/Form8959) for instructions and the latest information.

OMB No. 1545-0074

**2018**Attachment  
Sequence No. **71**Department of the Treasury  
Internal Revenue Service

Name(s) shown on return

**MICHAEL SHELLENBERGER & HELEN LEE**

Your social security number

**Part I Additional Medicare Tax on Medicare Wages**

1 Medicare wages and tips from Form W-2, box 5. If you have more than one Form W-2, enter the total of the amounts from box 5	1	287,623	
2 Unreported tips from Form 4137, line 6	2		
3 Wages from Form 8919, line 6	3		
4 Add lines 1 through 3	4	287,623	
5 Enter the following amount for your filing status: Married filing jointly \$250,000 Married filing separately \$125,000 Single, Head of household, or Qualifying widow(er) \$200,000	5	250,000	
6 Subtract line 5 from line 4. If zero or less, enter -0-	6		37,623
7 Additional Medicare Tax on Medicare wages. Multiply line 6 by 0.9% (0.009). Enter here and go to Part II	7		339

**Part II Additional Medicare Tax on Self-Employment Income**

8 Self-employment income from Schedule SE (Form 1040), Section A, line 4, or Section B, line 6. If you had a loss, enter -0- (Form 1040-PR and Form 1040-SS filers, see instructions.)	8	21,977	
9 Enter the following amount for your filing status: Married filing jointly \$250,000 Married filing separately \$125,000 Single, Head of household, or Qualifying widow(er) \$200,000	9	250,000	
10 Enter the amount from line 4	10	287,623	
11 Subtract line 10 from line 9. If zero or less, enter -0-	11	0	
12 Subtract line 11 from line 8. If zero or less, enter -0-	12		21,977
13 Additional Medicare Tax on self-employment income. Multiply line 12 by 0.9% (0.009). Enter here and go to Part III	13		198

**Part III Additional Medicare Tax on Railroad Retirement Tax Act (RRTA) Compensation**

14 Railroad retirement (RRTA) compensation and tips from Form(s) W-2, box 14 (see instructions)	14		
15 Enter the following amount for your filing status: Married filing jointly \$250,000 Married filing separately \$125,000 Single, Head of household, or Qualifying widow(er) \$200,000	15	250,000	
16 Subtract line 15 from line 14. If zero or less, enter -0-	16		0
17 Additional Medicare Tax on railroad retirement (RRTA) compensation. Multiply line 16 by 0.9% (0.009). Enter here and go to Part IV	17		

**Part IV Total Additional Medicare Tax**

18 Add lines 7, 13, and 17. Also include this amount on Schedule 4 (Form 1040), line 62 (check box a) (Form 1040NR, 1040-PR, and 1040-SS filers, see instructions), and go to Part V	18		537
--	----	--	-----

**Part V Withholding Reconciliation**

19 Medicare tax withheld from Form W-2, box 6. If you have more than one Form W-2, enter the total of the amounts from box 6	19	4,171	
20 Enter the amount from line 1	20	287,623	
21 Multiply line 20 by 1.45% (0.0145). This is your regular Medicare tax withholding on Medicare wages	21	4,171	
22 Subtract line 21 from line 19. If zero or less, enter -0-. This is your Additional Medicare Tax withholding on Medicare wages	22		0
23 Additional Medicare Tax withholding on railroad retirement (RRTA) compensation from Form W-2, box 14 (see instructions)	23		
24 Total Additional Medicare Tax withholding. Add lines 22 and 23. Also include this amount with federal income tax withholding on Form 1040, line 16 (Form 1040NR, 1040-PR, and 1040-SS filers, see instructions)	24		

For Paperwork Reduction Act Notice, see your tax return instructions.

DAA

Form **8960****Net Investment Income Tax—  
Individuals, Estates, and Trusts**

Attach to your tax return.

OMB No. 1545-2227

**2018**Attachment  
Sequence No. **72**Department of the Treasury  
Internal Revenue Service (99)Go to [www.irs.gov/Form8960](http://www.irs.gov/Form8960) for instructions and the latest information.Your social security number or EIN  
\*

Name(s) shown on your tax return

**MICHAEL SHELLENBERGER & HELEN LEE****Part I Investment Income**

- Section 6013(g) election (see instructions)  
 Section 6013(h) election (see instructions)  
 Regulations section 1.1411-10(g) election (see instructions)

1	Taxable interest (see instructions)		1	
2	Ordinary dividends (see instructions)		2	
3	Annuities (see instructions)		3	
4a	Rental real estate, royalties, partnerships, S corporations, trusts, etc. (see instructions)	4a		
b	Adjustment for net income or loss derived in the ordinary course of a non-section 1411 trade or business (see instructions)	4b		
c	Combine lines 4a and 4b		4c	
5a	Net gain or loss from disposition of property (see instructions)	5a		
b	Net gain or loss from disposition of property that is not subject to net investment income tax (see instructions)	5b		
c	Adjustment from disposition of partnership interest or S corporation stock (see instructions)	5c		
d	Combine lines 5a through 5c		5d	
6	Adjustments to investment income for certain CFCs and PFICs (see instructions)		6	
7	Other modifications to investment income (see instructions)		7	
8	Total investment income. Combine lines 1, 2, 3, 4c, 5d, 6, and 7		8	

**Part II Investment Expenses Allocable to Investment Income and Modifications**

9a	Investment interest expenses (see instructions)	9a		
b	State, local, and foreign income tax (see instructions)	9b		
c	Miscellaneous investment expenses (see instructions)		9d	
d	Add lines 9a, 9b, and 9c		10	
10	Additional modifications (see instructions)		11	
11	Total deductions and modifications. Add lines 9d and 10			

**Part III Tax Computation**

12	Net investment income. Subtract Part II, line 11, from Part I, line 8. Individuals complete lines 13–17. Estates and trusts, complete lines 18a–21. If zero or less, enter -0-	12		0
<b>Individuals:</b>				
13	Modified adjusted gross income (see instructions)	13	298,049	
14	Threshold based on filing status (see instructions)	14	250,000	
15	Subtract line 14 from line 13. If zero or less, enter -0-	15	48,049	
16	Enter the smaller of line 12 or line 15	16		
17	Net investment income tax for individuals. Multiply line 16 by 3.8% (0.038). Enter here and include on your tax return (see instructions)	17		
<b>Estates and Trusts:</b>				
18a	Net investment income (line 12 above)	18a		
b	Deductions for distributions of net investment income and deductions under section 642(c) (see instructions)	18b		
c	Undistributed net investment income. Subtract line 18b from 18a (see instructions). If zero or less, enter -0-	18c		
19a	Adjusted gross income (see instructions)	19a		
b	Highest tax bracket for estates and trusts for the year (see instructions)	19b		
c	Subtract line 19b from line 19a. If zero or less, enter -0-	19c		
20	Enter the smaller of line 18c or line 19c	20		
21	Net investment income tax for estates and trusts. Multiply line 20 by 3.8% (0.038). Enter here and include on your tax return (see instructions)	21		

For Paperwork Reduction Act Notice, see your tax return instructions.

Form **8960** (2018)

Form **8829****Expenses for Business Use of Your Home**Department of the Treasury  
Internal Revenue Service (99)File only with Schedule C (Form 1040). Use a separate Form 8829 for each home you used for business during the year.  
Go to [www.irs.gov/Form8829](http://www.irs.gov/Form8829) for instructions and the latest information.

OMB No. 1545-0074

**2018**Attachment  
Sequence No. **176**

Name(s) of proprietor(s)

**MICHAEL SHELLENBERGER**

Your social security number

**Part I Part of Your Home Used for Business**

1	Area used regularly and exclusively for business, regularly for daycare, or for storage of inventory or product samples (see instructions)				
2	Total area of home				160
3	Divide line 1 by line 2. Enter the result as a percentage				1800
	For daycare facilities not used exclusively for business, go to line 4. All others, go to line 7.				8.89%
4	Multiply days used for daycare during year by hours used per day				
5	Total hours available for use during the year (365 days x 24 hours) (see instructions)	4		hr.	
6	Divide line 4 by line 5. Enter the result as a decimal amount	5		8,760 hr.	
7	Business percentage. For daycare facilities not used exclusively for business, multiply line 6 by line 3 (enter the result as a percentage). All others, enter the amount from line 3	6			
					8.89%

**Part II Figure Your Allowable Deduction**

8	Enter the amount from Schedule C, line 29, plus any gain derived from the business use of your home, minus any loss from the trade or business not derived from the business use of your home (see instructions) See instructions for columns (a) and (b) before completing lines 9-22.					28,426
9	Casualty losses (see instructions)	(a) Direct expenses	(b) Indirect expenses			
10	Deductible mortgage interest (see instructions)					
11	Real estate taxes (see instructions)				24,877	
12	Add lines 9, 10, and 11				24,877	
13	Multiply line 12, column (b), by line 7				2,212	
14	Add line 12, column (a), and line 13					
15	Subtract line 14 from line 8. If zero or less, enter -0-					2,212
16	Excess mortgage interest (see instructions)					26,214
17	Excess real estate taxes (see instructions)					
18	Insurance					
19	Rent				1,198	
20	Repairs and maintenance					
21	Utilities					
22	Other expenses (see instructions)				3,372	
23	Add lines 16 through 22					
24	Multiply line 23, column (b), by line 7				4,570	
25	Carryover of prior year operating expenses (see instructions)				406	
26	Add line 23, column (a), line 24, and line 25					
27	Allowable operating expenses. Enter the smaller of line 15 or line 26					1,116
28	Limit on excess casualty losses and depreciation. Subtract line 27 from line 15					1,116
29	Excess casualty losses (see instructions)					25,098
30	Depreciation of your home from line 42 below					
31	Carryover of prior year excess casualty losses and depreciation (see instructions)				1,300	
32	Add lines 29 through 31					
33	Allowable excess casualty losses and depreciation. Enter the smaller of line 28 or line 32					1,300
34	Add lines 14, 27, and 33					1,300
35	Casualty loss portion, if any, from lines 14 and 33. Carry amount to Form 4684 (see instructions)					4,628
36	Allowable expenses for business use of your home. Subtract line 35 from line 34. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions.					
						4,628

**Part III Depreciation of Your Home**

37	Enter the smaller of your home's adjusted basis or its fair market value (see instructions)					
38	Value of land included on line 37					
39	Basis of building. Subtract line 38 from line 37					570,500
40	Business basis of building. Multiply line 39 by line 7					
41	Depreciation percentage (see instructions)					570,500
42	Depreciation allowable (see instructions). Multiply line 40 by line 41. Enter here and on line 30 above					50,717
						2,5640%
						1,300

**Part IV Carryover of Unallowed Expenses to 2019**

43	Operating expenses. Subtract line 27 from line 26. If less than zero, enter -0-					0
44	Excess casualty losses and depreciation. Subtract line 33 from line 32. If less than zero, enter -0-					0

DAA

Form **1040****Form 1040 Reconciliation Worksheet****2018**Filing Status: ☐ 1 Single ☒ 2 Married filing jointly ☐ 3 Married filing separately ☐ 4 Head of household\* ☐ 5 Qualifying widow(er)\*

MFS spouse name:

\*Qualifying person that is a child but not a dependent

Taxpayer first name and initial <b>MICHAEL</b>	Last name <b>SHELLENBERGER</b>	Taxpayer social security number [REDACTED]
If a joint return, spouse's first name and initial <b>HELEN</b>	Last name <b>LEE</b>	Spouse's social security number [REDACTED]
Home address (number and street). If you have a P.O. box, see instructions. [REDACTED]		Apt. no.
City, town or post office, state, and ZIP code. [REDACTED]		Presidential Election Campaign Taxpayer <input type="checkbox"/> Spouse <input type="checkbox"/>
Foreign country name	Foreign province/state/country	Foreign postal code

6a ☒ Taxpayer. If someone can claim you as a dependent, do not check box 6a  
 b ☒ Spouse

Boxes checked on 6a and 6b ..... **2**  
 Children on 6c who lived with you ..... **1**  
 Children on 6c who did not live with you .....  
 Dependents on 6c not entered above .....  
 Total. Add lines above ..... **3**

6c Dependents:			(4) If qualifies for		If more than four dependents, here <input type="checkbox"/>
(1) First name	Last name	(2) Social security number	(3) Relationship to you	Child tax credit	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		

<b>Income</b> (Schedule 1)	7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	<b>279,266</b>
	8a	Taxable interest. Attach Schedule B if required	8a	
	b	Tax-exempt interest. Do not include on line 8a	8b	
	9a	Ordinary dividends. Attach Schedule D if required	9a	
	b	Qualified dividends	9b	
	10	Taxable refunds, credits, or offsets of state and local income taxes	10	
	11	Alimony received	11	
	12	Business income or (loss). Attach Schedule C or C-EZ	12	<b>23,798</b>
	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
	14	Other gains or (losses). Attach Form 4797	14	
	15a	IRA distributions	15a	
	16a	Pensions and annuities	16a	
	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
	18	Farm income or (loss). Attach Schedule F	18	
	19	Unemployment compensation	19	
	20a	Social security benefits	20a	
	b	Taxable amount	20b	
	21	Other income. List type and amount	21	
	22	Combine the amounts in the far right column for lines 7 through 21. This is your <b>total income</b>	22	<b>303,064</b>
	<b>Adjusted Gross Income</b> (Schedule 1)	23	Educator expenses	23
24		Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25		Health savings account deduction. Attach Form 8889	25	
26		Moving expenses. Attach Form 3903	26	
27		Deductible part of self-employment tax. Attach Schedule SE	27	<b>319</b>
28		Self-employed SEP, SIMPLE, and qualified plans	28	<b>4,696</b>
29		Self-employed health insurance deduction	29	
30		Penalty on early withdrawal of savings	30	
31a		Alimony paid b Recipient's SSN	31a	
32		IRA deduction	32	
	33	Student loan interest deduction	33	
	34	Reserved	34	
	35	Reserved	35	
	36	Add lines 23 through 35	36	
	37	Subtract line 36 from line 22. This is your <b>adjusted gross income</b>	37	<b>5,015</b> <b>298,049</b>



Form <b>2210</b>	<b>80% Waiver Relief of Underpayment Penalty Worksheet</b>	<b>2018</b>
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Name

Taxpayer Identification Number

**MICHAEL SHELLENBERGER & HELEN LEE**

Complete Part I of Form 2210. If you checked "Yes" on box 9, complete the worksheet below to see if you qualify for the 80% Waiver relief.

- |  |                  |
|--|------------------|
| 1. Enter the amount from Form 2210, Part I, line 4 .....   | 1. <u>52,531</u> |
| 2. Multiply line 1 by 80% .....  | 2. <u>42,025</u> |
| 3. Enter withholding taxes from Form 2210, Part I, line 6 .....  | 3. <u>43,770</u> |
| 4. Enter the amount of your 2018 estimated tax payments made on or before January 15, 2019 .....   | 4. <u>43,770</u> |
| 5. Add lines 3 and 4 above .....   | 5. <u>43,770</u> |
| 6. Is line 5 above greater than or equal to the amount on line 2 above?  |                  |
| <input checked="" type="checkbox"/> <b>Yes.</b> You qualify for the 80% Waiver relief. Check Box A in Part II of Form 2210, write "80% Waiver" next to Box A, and file page 1 of Form 2210 with your return. |                  |
| <input type="checkbox"/> <b>No. STOP.</b> You do not qualify for the 80% Waiver relief. Follow the instructions for the "Yes" box on line 9 of Form 2210, Part I, ignoring the 80% Waiver.                   |                  |

# Client Copy

Form **1040****General Sales Tax Deduction Worksheet****2018**

Name as shown on return

**MICHAEL SHELLENBERGER & HELEN LEE**

Taxpayer Identification Number

State of

**CALIFORNIA**

Locality of

**General Sales Tax from IRS Tables**

1. Enter the amount of adjusted gross income (AGI) from Form 1040, Line 7 ..... 1. 298,049
2. Add the nontaxable amounts from Form 1040, lines 2b, 4a, 5a (Exclude rollovers and tax-free Sec. 1035 exchanges) ..... 2. \_\_\_\_\_
3. Add the following nontaxable items: nontaxable combat pay, public assistance, veteran's benefits, and workers' compensation.  
Also include any amounts which increase spendable income, such as the refundable portion of refundable tax credits received in 2018 ..... 3. \_\_\_\_\_
4. Add lines 1 through 3, this is income for general sales tax table purposes ..... 4. 298,049
5. Enter the amount from the sales tax table in the Schedule A instructions. .... 5. 1,776  
Part-year residents, complete lines 6 - 8; Full-year residents skip lines 6 - 8  
and enter the amount from line 5 on line 9
6. Enter the number of days of residence in state ..... 6. \_\_\_\_\_
7. Total days in year ..... 7. 365
8. Divide line 6 by line 7 (rounded to at least 3 decimal places) ..... 8. \_\_\_\_\_
9. Multiply line 5 by line 8, this is the deductible general sales tax using the IRS table. .... 9. 1,776

**Local Sales Tax Using IRS Tables**

10. Enter the amount from the sales tax table in the Schedule A instructions. .... 10. \_\_\_\_\_
11. If you are a resident of Alaska, Arizona, Arkansas, Colorado, Georgia, Illinois, Louisiana, Mississippi, Missouri, New York, North Carolina, South Carolina, Tennessee, Utah, or Virginia, enter the amount from the applicable Optional Local Sales Tax Table in the Schedule A instructions. .... 11. \_\_\_\_\_
12. Enter the local general sales tax rate (exclude statewide local sales tax rate) ..... 12. \_\_\_\_\_
13. Enter the state general sales tax rate (include statewide local sales tax rate) ..... 13. \_\_\_\_\_
14. Divide line 12 by line 13 (rounded to at least 3 decimal places) ..... 14. \_\_\_\_\_
15. If you entered an amount on line 11, multiply line 11 by line 12. This is the local sales tax using the optional local sales tax tables.  
Part-year residents, complete lines 16 - 18; Full-year residents skip lines 16 - 18  
and enter the amount from line 15 on line 19  
If you did not enter an amount on line 11, multiply line 10 by line 14. This is the local sales tax using the optional state and certain local sales tax tables.  
Part-year residents, complete lines 16 - 18; Full-year residents skip lines 16 - 18  
and enter the amount from line 15 on line 19
16. Enter the number of days of residence in locality ..... 16. \_\_\_\_\_
17. Total days in year ..... 17. 365
18. Divide line 16 by line 17 (rounded to at least 3 decimal places) ..... 18. \_\_\_\_\_
19. Multiply line 15 by line 18. This is the deductible general local sales tax using the IRS tables. .... 19. \_\_\_\_\_

**General Sales Tax Summary**

20. Enter the sum of line 9 from all General Sales Tax Deduction Worksheets ..... 20. 1,776
21. Enter the sum of line 19 from all General Sales Tax Deduction Worksheets ..... 21. \_\_\_\_\_
22. Add lines 20 and 21, this is the total General Sales taxes using the tables ..... 22. 1,776
23. Enter the actual state and local general sales taxes paid ..... 23. \_\_\_\_\_
24. Enter the greater of line 22 or line 23 ..... 24. 1,776
25. Enter the state and local taxes paid on specified items (major purchases) ..... 25. \_\_\_\_\_
26. Add lines 24 and 25, this is the deductible General Sales tax ..... 26. 1,776
27. Enter total state and local income taxes paid ..... 27. 24,727

Enter the greater of line 26 or 27 on Schedule A, line 5a. If line 26 is greater, mark the Schedule A, line 5a box.

Form **8829****Home Office - Excess Real Estate Taxes Worksheet****2018**

Name

Taxpayer Identification Number

**MICHAEL SHELLENBERGER & HELEN LEE**Description **ENVIRONMENTAL CONSULTING**Form/Schedule **C**Unit number **1****Real Estate Taxes**

1. Enter your state and local income taxes (or general sales tax) that are personal expenses	1.	<b>24,727</b>
2. Enter all your state and local real estate taxes you paid on the home in which you conducted business	2.	<b>7,988</b>
3. Enter any other state and local real estate taxes you paid that are a personal expense and not included in line 2	3.	
4. Enter your state and local personal property taxes that are a personal expense	4.	
5. Add lines 1 through 4.	5.	<b>32,715</b>
6. Multiply line 2 by the business percentage on Form 8829, line 7 (8829 Wrk, line 3) <b>8.89%</b>	6.	<b>710</b>
7. Subtract line 6 from line 2	7.	<b>7,278</b>
8. Subtract line 6 from line 5	8.	<b>32,005</b>
9. Subtract line 8 from \$10,000 (\$5,000 if married filing separately). If zero or less, enter -0-	9.	<b>0</b>
10. Real estate taxes Enter the smaller of line 6 or line 9 here and on column (a) of Form 8829, line 11 (8829 Wrk, line 7)	10.	
11. Excess real estate taxes. Subtract line 10 from line 6. Enter on column (a) Form 8829, line 17 (8829 Wrk, line 15)	11.	<b>710</b>

# Client Copy

Form **1040****Keogh/SEP/SIMPLE Worksheet****2018**Name of person with self-employment income (as shown on Form 1040)  
**MICHAEL SHELLINGER**Taxpayer Identification Number  
[REDACTED]Description **ENVIRONMENTAL CONSULTING**Form/Schedule **C** Unit number **1**Plan Type **SEP****Keogh, 401(K) and SEP Plan Contribution Worksheet**  
**Self-Employed Person's Rate Worksheet**

1. Plan contribution rate as a decimal (for example, 15% would be 0.15) ..... **0.2500**
2. Rate in line 1 plus 1 (for example, 0.15 plus 1 would be 1.15) ..... **1.2500**
3. Self-employed rate as a decimal (divide line 1 by line 2) ..... **0.200000**

**Self-Employed Person's Deduction Worksheet**

- Step 1** Enter your net profit from Sch C, line 31; Sch C-EZ, line 3; Sch F, line 34; or Sch K-1, box 14, Code A\*  
\* Less amount of expenses subtracted from box 14, Code A to determine the amount on line 1 or line 2 of Schedule SE ..... **23,798**
- Step 2** Enter your deduction for self-employment tax from Schedule 1 (Form 1040), line 27 ..... **319**
- Step 3** Net earnings from self-employment. Subtract step 2 from step 1 ..... **23,479**
- Step 4** Enter the self-employed rate shown on line 3 above ..... **0.200000**
- Step 5** Multiply Step 3 by Step 4 ..... **4,696**
- Step 6** Multiply \$275,000 by your plan contribution rate from line 1 above ..... **68,750**
- Step 7** Enter the amount contributed to the retirement plan ..... **68,750**
- Step 8** Enter the smaller of step 5, step 6, or step 7 ..... **4,696**
- Step 9** Contribution dollar limit  
 • If you made elective deferrals to your self-employed plan, go to step 10.  
 • Otherwise, skip steps 10 through 19 and enter the smaller of step 8 or step 9 on line 20 ..... **55,000**
- Step 10** Enter your allowable elective deferrals (including designated Roth contributions) made to your self-employed plan during 2018. Don't enter more than \$18,500 ..... **10.**
- Step 11** Subtract step 10 from step 9 ..... **11.**
- Step 12** Subtract step 10 from step 3 ..... **12.**
- Step 13** Enter one-half of step 12 ..... **13.**
- Step 14** Enter the smallest of steps 8, 11, or 13 ..... **14.**
- Step 15** Subtract step 14 from step 3 ..... **15.**
- Step 16** Enter the smaller of step 10 or step 15  
 • If you made catch-up contributions, go to step 17.  
 • Otherwise, skip steps 17 through 19 and go to step 20. .... **16.**
- Step 17** Subtract step 16 from step 15 ..... **17.**
- Step 18** Enter your catch-up contributions (including designated Roth contributions), if any. Don't enter more than \$6,000. .... **18.**
- Step 19** Enter the smaller of step 17 or step 18 ..... **19.**
- Step 20** Add steps 14, 16, and 19 ..... **20. 4,696**
- Step 21** Enter the amount of designated Roth contributions included on lines 10 and 18 ..... **21.**
- Step 22** Subtract step 21 from step 20. This is your **maximum deductible contribution**  
 Enter this amount on Schedule 1 (Form 1040), line 28 ..... **22. 4,696**

**SIMPLE Plan Contribution Worksheet**

1. Enter your net earnings from self-employment ..... **1.**
2. Enter the SIMPLE plan contribution amount. Do not enter more than \$12,500 ..... **2.**
3. Enter the smaller of line 1 or line 2 ..... **3.**
4. Enter the SIMPLE employer matching contributions ..... **4.**
5. Enter the smaller of line 3 or line 4 ..... **5.**
6. Enter your catch-up contributions (if any). Do not enter more than \$3,000 ..... **6.**
7. Enter your employer matching catch-up contributions ..... **7.**
8. Add lines 3, 5, 6 and 7. This is your **SIMPLE plan maximum deductible contribution**  
 Enter this amount on Schedule 1 (Form 1040), line 28 ..... **8.**

Form **1040****Keogh/401(K)/SEP/SIMPLE Contribution Reconciliation Worksheet 2018**

Name of person with self-employment income (as shown on Form 1040)

**MICHAEL SHELLENBERGER**

Taxpayer Identification Number

Description **ENVIRONMENTAL CONSULTING**Form/Schedule **C**Unit number **1**Plan Type **SEP****Keogh, 401(K), Profit-Sharing, Defined Benefit, Money Purchase Plan Contribution Reconciliation Worksheet**

1. Enter the amount of your contribution deduction from line 22 of the Keogh, 401(K) and SEP Plan Contribution Worksheet. 1.
  2. Enter the amount of contributions already made to the plan 2.
  3. Remaining balance of contributions to be made or (excess contributions). Subtract line 2 from line 1. 3.
- If the amount on line 3 is greater than zero, this is your remaining balance of contributions to be made to the plan
  - If the amount on line 3 is less than zero, this is your excess contribution

**SEP, SARSEP Plan Contribution Reconciliation Worksheet**

1. Enter the amount of your contribution deduction from line 22 of the Keogh, 401(K) and SEP Plan Contribution Worksheet. 1.
  2. Enter the amount of contributions already made to the plan 2.
  3. Remaining balance of contributions to be made or (excess contributions). Subtract line 2 from line 1. 3.
- If the amount on line 3 is greater than zero, this is your remaining balance of contributions to be made to the plan
  - If the amount on line 3 is less than zero, this is your excess contribution

**Client Copy****SIMPLE Plan Contribution Reconciliation Worksheet**

1. Enter the amount of your salary reduction contribution deduction from lines 3 and 6 of the SIMPLE Plan Contribution Worksheet 1.
  2. Enter the amount of salary reduction contributions already made to the plan 2.
  3. Remaining balance of salary reduction contributions to be made or (excess contributions). Subtract line 2 from line 1. 3.
- If the amount on line 3 is greater than zero, this is your remaining balance of salary reduction contributions to be made to the plan
  - If the amount on line 3 is less than zero, this is your excess salary reduction contribution
4. Enter the amount of your matching contribution deduction from lines 5 and 7 of the SIMPLE Plan Contribution Worksheet 4.
  5. Enter the amount of matching contributions already made to the plan 5.
  6. Remaining balance of matching contributions to be made or (excess contributions). Subtract line 5 from line 4. 6.
- If the amount on line 6 is greater than zero, this is your remaining balance of matching contributions to be made to the plan
  - If the amount on line 6 is less than zero, this is your excess matching contribution

Form **1040****Qualified Business Income Deduction (QBID) Simplified Worksheet****2018**

Name

**MICHAEL SHELLENBERGER & HELEN LEE**

Taxpayer Identification Number

Use this worksheet if you:

- Have Qualified Business Income (QBI), REIT dividends, or PTP income
- are not a patron in a specified agricultural or horticultural cooperative
- have taxable income before deduction of \$157,500 or less (\$315,000 married filing jointly)

1. Qualified business income or (loss) from:		
Schedule C		
Rental properties	1.	<b>18,783</b>
Schedule F		
Form 4835 - Farm Rentals		
Form 1065 Schedule K-1 (Partnership) and Form 1120S Schedule K1 (S corporation)		
Form 1041 Schedule K-1 and other sources		
2. Total qualified business income or (loss). Add the amounts from line 1	2.	<b>18,783</b>
3. Qualified business loss carryforward from the prior year. Enter as a negative number.	3.	
4. Total qualified business income. Combine lines 2 and 3. If zero or less, enter -0-	4.	<b>18,783</b>
5. Qualified business income component. Multiply line 4 by 20% (0.20)	5.	<b>3,757</b>
6a. Qualified real estate investment trust dividends	6a.	
6b. Qualified publicly traded partnership income or (loss)	6b.	
7. Qualified REIT and PTP loss carryforward from the prior year. Enter as a negative number.	7.	
8. Total qualified REIT and PTP income. Add lines 6 and 7. If zero or less, enter -0-	8.	
9. REIT and PTP component. Multiply line 8 by 20% (.20).	9.	
10. Qualified business income deduction before the income limitation. Add lines 5 and 9.	10.	<b>3,757</b>
11. Taxable income before qualified business income deduction (Form 1040, Line 7 less Line 8)	11.	<b>265,331</b>
12. Net capital gain (see instructions)	12.	
13. Subtract line 12 from line 11. If less than zero, enter -0-	13.	<b>265,331</b>
14. Income limit. Multiply line 13 by 20% (.20)	14.	<b>53,066</b>
15. Qualified business income deduction. Enter the smaller of Line 10 or Line 14.	15.	<b>3,757</b>
Enter qualified business income deduction on Form 1040, line 9 or Form 1040NR, line 38		
16. Total qualified business loss carryforward. Add lines 2 and 3. If more than zero, enter -0-	16.	<b>0</b>
17. Total qualified REIT income and PTP loss carryforward. Add lines 6 and 7. If more than zero, enter -0-	17.	

MICHAEL SHELLINGER & HELEN LEE

Form/Schedule

Unit

**1**

# ENVIRONMENTAL CONSULTING

- |  |   |     |        |
|--|---|-----|--------|
| 1.   | Schedule C, Line 31, Net profit or (loss)                                     | 1.  | 23,798 |
| Additions for qualified business income:   |   |     |        |
| 2.   | Form 4797, Ordinary income  | 2.  |        |
| Prior to TCJA suspended losses allowed:    |   |     |        |
| 3.   | Passive suspended losses  | 3.  |        |
| 4.   | At-Risk suspended losses  | 4.  |        |
| 5.   | Section 179 carryover plus excess farm loss                                   | 5.  |        |
| 6.   | Total additions to net profit or (loss). Add lines 2 through 5.               | 6.  |        |
| Subtractions for qualified business income |   |     |        |
| 7.   | Form 4797, Ordinary loss (includes share of Net section 1231 losses)          | 7.  |        |
| 8.   | Deductible portion of self-employment taxes                                   | 8.  | 319    |
| 9.   | Self-employed SEP, SIMPLE, and qualified plans                                | 9.  | 4,696  |
| 10.  | Self-employed health insurance deduction                                      | 10. |        |
| 11.  | Passive suspended to next year  | 11. |        |
| 12.  | At-Risk suspended to next year  | 12. |        |
| 13.  | Total subtraction to net profit or (loss). Add lines 7 through 12.            | 13. | 5,015  |
| 14.  | Qualified business income for this activity. Line 1 plus line 6 less line 13. | 14. | 18,783 |

activity, line 1, plus line 6, less line 13.

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### Pre -TCJA

### Post-TCJA

## Operating

Form 4797, Part II

**Section 1231 loss**

**At-Risk:**

## Operating

Form 4797, Part II

Section 1231 loss

Section 179

Section 179 - COGS

**Other:**

Section 179

Section 179 - COGS

Form **1040****Net Earnings from Self-Employment Worksheet****2018**

Name

Taxpayer Identification Number

**MICHAEL SHELLINGER & HELEN LEE**

Taxpayer

Spouse

**Farm profit or (loss)**

Schedule F

Farm Partnerships - Schedule K-1, box 14, code A

Auto expense from farm partnerships

Amortization from farm partnerships

Depreciation &amp; Section 179 from farm partnerships

Depletion from farm partnerships

Other expenses from farm partnerships

Home office expenses from farm partnerships

Unreimbursed partnership expenses from farm partnerships

Debt financed acquisition interest from farm partnerships

Farm adjustment to SE Income

**Net farm profit or (loss) - Schedule SE line 1a**

0

0

**Conservation Reserve Program payments to social security/disability benefit recipients included on Sch F, in 4b or listed on Sch K-1 (Form 1065), box 20, code AH- Sch SE line 1b**

0

0

**Nonfarm profit or (loss)**

Schedule C (excluding minister Schedule C income reported below)

Nonfarm partnerships - Schedule K-1, box 14, code A

Auto expense from nonfarm partnerships

Amortization from nonfarm partnerships

Depreciation &amp; section 179 from nonfarm partnerships

Depletion from nonfarm partnerships

Other expenses from nonfarm partnerships

Home office expenses from nonfarm partnerships

Unreimbursed partnership expenses from nonfarm partnerships

Debt financed acquisition interest from nonfarm partnerships

Nonfarm adjustment to SE income

Self-employment income reported as other income

Self-employment income from contracts and straddles

Minister/clergy self-employment income (from Clergy Worksheet Page 3, line 7)

**Net nonfarm profit or (loss) - Schedule SE line 2**

23,798

23,798

0

**Other income items subject to and/or exempt from self-employment tax**

Fees received for services performed as a notary public

Earnings while debtor in a chapter 11 bankruptcy case

Taxable community property income/-loss

Exempt community property income/-loss

**Net adjustment included on Schedule SE, line 3**

0

0

**Net profit (loss) from self-employment activities - Schedule SE line 3**

23,798

0

**Church employee income - Schedule SE, Page 2 line 5a**

Form **1040****Tax Refund Worksheet - 2018 State and Local Refunds****2019**

Name

Taxpayer Identification Number

**MICHAEL SHELLENBERGER & HELEN LEE****CA**

1. 2018 payments paid in 2019 ..... 1. \_\_\_\_\_
2. 2018 extension paid in 2019 ..... 2. \_\_\_\_\_
3. 2018 additional payment paid in 2019 ..... 3. \_\_\_\_\_
4. Total 2018 payments paid in 2019 (sum of lines 1 through 3) ..... 4. \_\_\_\_\_
5. Total payments on the 2018 return ..... 5. 22,286
6. Total 2018 overpayment/refund ..... 6. 3,453
7. 2018 refund attributable to tax paid in 2019 (line 4 divided by line 5 multiplied by line 6) ..... 7. \_\_\_\_\_
8. 2018 state/local tax refund attributable to tax paid in 2018 (line 6 minus line 7) ..... 8. 3,453

1. 2018 payments paid in 2019 ..... 1. \_\_\_\_\_
2. 2018 extension paid in 2019 ..... 2. \_\_\_\_\_
3. 2018 additional payment paid in 2019 ..... 3. \_\_\_\_\_
4. Total 2018 payments paid in 2019 (sum of lines 1 through 3) ..... 4. \_\_\_\_\_
5. Total payments on the 2018 return ..... 5. \_\_\_\_\_
6. Total 2018 overpayment/refund ..... 6. \_\_\_\_\_
7. 2018 refund attributable to tax paid in 2019 (line 4 divided by line 5 multiplied by line 6) ..... 7. \_\_\_\_\_
8. 2018 state/local tax refund attributable to tax paid in 2018 (line 6 minus line 7) ..... 8. \_\_\_\_\_

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1. 2018 payments paid in 2019 ..... 1. \_\_\_\_\_
2. 2018 extension paid in 2019 ..... 2. \_\_\_\_\_
3. 2018 additional payment paid in 2019 ..... 3. \_\_\_\_\_
4. Total 2018 payments paid in 2019 (sum of lines 1 through 3) ..... 4. \_\_\_\_\_
5. Total payments on the 2018 return ..... 5. \_\_\_\_\_
6. Total 2018 overpayment/refund ..... 6. \_\_\_\_\_
7. 2018 refund attributable to tax paid in 2019 (line 4 divided by line 5 multiplied by line 6) ..... 7. \_\_\_\_\_
8. 2018 state/local tax refund attributable to tax paid in 2018 (line 6 minus line 7) ..... 8. \_\_\_\_\_

1. 2018 payments paid in 2019 ..... 1. \_\_\_\_\_
2. 2018 extension paid in 2019 ..... 2. \_\_\_\_\_
3. 2018 additional payment paid in 2019 ..... 3. \_\_\_\_\_
4. Total 2018 payments paid in 2019 (sum of lines 1 through 3) ..... 4. \_\_\_\_\_
5. Total payments on the 2018 return ..... 5. \_\_\_\_\_
6. Total 2018 overpayment/refund ..... 6. \_\_\_\_\_
7. 2018 refund attributable to tax paid in 2019 (line 4 divided by line 5 multiplied by line 6) ..... 7. \_\_\_\_\_
8. 2018 state/local tax refund attributable to tax paid in 2018 (line 6 minus line 7) ..... 8. \_\_\_\_\_

1. 2018 payments paid in 2019 ..... 1. \_\_\_\_\_
2. 2018 extension paid in 2019 ..... 2. \_\_\_\_\_
3. 2018 additional payment paid in 2019 ..... 3. \_\_\_\_\_
4. Total 2018 payments paid in 2019 (sum of lines 1 through 3) ..... 4. \_\_\_\_\_
5. Total payments on the 2018 return ..... 5. \_\_\_\_\_
6. Total 2018 overpayment/refund ..... 6. \_\_\_\_\_
7. 2018 refund attributable to tax paid in 2019 (line 4 divided by line 5 multiplied by line 6) ..... 7. \_\_\_\_\_
8. 2018 state/local tax refund attributable to tax paid in 2018 (line 6 minus line 7) ..... 8. \_\_\_\_\_

Total of ALL 2018 state/local tax refunds attributable to tax paid in 2019 (sum of lines 7) ..... \_\_\_\_\_

Total of ALL 2018 state/local tax refunds attributable to tax paid in 2018 (sum of lines 8; for 2019 Tax Refund Wrk) ..... 3,453

Form **1040****Tax Refund Worksheet - No Tax Benefit Derived****2019**

Name

Taxpayer Identification Number

**MICHAEL, SHELLINGER & HELEN LEE****2018 State and Local Refunds Not Taxable in 2019 Due to AMT**

- |  |     |               |
|--|-----|---------------|
| 1. Total refund attributable to 2018 (from total on Wrk 10, Tax Refund Wrk - 2018 State and Local Refunds) | 1.  | <u>3,453</u>  |
| 2. 2018 regular tax  | 2.  | <u>51,357</u> |
| 3. 2018 AMT  | 3.  | <u>0</u>      |
| 4. 2018 Total Tax (line 2 + line 3)  | 4.  | <u>51,357</u> |
| 5. 2018 Federal Marginal Tax Rate  | 5.  | <u>0.240</u>  |
| 6. Tentative no benefit (line 3 divided by line 5)   | 6.  | <u>0</u>      |
| 7. Adjustment (smaller of line 1 or line 6)  | 7.  | <u>0</u>      |
| 8. Recalculated 2018 Itemized Deductions   | 8.  | <u>0</u>      |
| 9. Recalculated 2018 Taxable Income  | 9.  | <u>0</u>      |
| 10. Recalculated 2018 Tax  | 10. | <u>0</u>      |
| Recalculated 2018 Tax using Sch D Tax Wrk or QDCGTW  |     |               |
| Recalculated 2018 Form 8615  |     |               |
| Recalculated 2018 Schedule J   |     |               |
| 11. Recalculated 2018 AMT  | 11. | <u>0</u>      |
| 12. New 2018 Total Tax (line 10 + line 11)   | 12. | <u>0</u>      |
| 13. 2018 state and local refunds not taxable in 2019 due to AMT (equals line 7, if line 12 < or = line 4)  | 13. | <u>0</u>      |

The amount from Line 13 will carry to the 2019 Tax Refund Worksheet

**Client Copy****2018 State and Local Refunds Not Taxable in 2019 Due to Zero Tax**

- |  |    |  |
|--|----|--|
| 1. Total refund attributable to 2018 (from total on Wrk 10, Tax Refund Wrk - 2018 State and Local Refunds) | 1. |  |
| 2. 2018 regular tax after credits  | 2. |  |
| 3. Recalculated 2018 tax after credits   | 3. |  |
| 4. Difference, if any (line 2 - line 3)  | 4. |  |
| 5. 2018 state and local refunds not taxable in 2019 due to zero tax (equals line 1, if line 4 = zero)      | 5. |  |

The amount from Line 5 will carry to the 2019 Tax Refund Worksheet

**2018 State and Local Refunds Not Taxable in 2019 Due to Sch A Tax Deduction Limitation**

- |   |    |               |
|---|----|---------------|
| 1. 2018 Schedule A line 5d - state and local taxes before limitation  | 1. | <u>32,005</u> |
| 2. Total refund attributable to 2018 (from total on Wrk 10, Tax Refund Wrk - 2018 State and Local Refunds)  | 2. | <u>3,453</u>  |
| 3. Difference, if any (line 1 - line 2)   | 3. | <u>28,552</u> |
| 4. 2018 Schedule A line 5e - limited state and local taxes  | 4. | <u>10,000</u> |
| 5. Difference, if any (line 3 - line 4) (If line 5 >= zero, refund not taxable, skip to line 7)   | 5. | <u>18,552</u> |
| 6. No Taxable Benefit Amount (Combine Line 2 + Line 5)  | 6. |               |
| 7. 2018 state/local refunds not taxable in 2019 due to Sch A tax limitation (equals (line 2, if line 5 >= zero) or (line 6, if line 6 is > zero)) |    | <u>3,453</u>  |

The amount from Line 7 will carry to the 2019 Tax Refund Worksheet

SHELLEMICH Shellenberger, Michael & Helen  
Federal Statements

10/13/2019 6:19 PM

**Schedule A. Line 1 - Medical and Dental Expenses**

Description	Amount
TOTAL	\$ 0

**Schedule A. Line 5a - State and Local Taxes**

Description	Amount
STATE WITHHOLDING ON W-2S	\$ 22,286
STATE TAX PAYMENTS	407
STATE DISABILITY FUND W/H	2,034
TOTAL INCOME TAXES*	24,727
GENERAL SALES TAX	
TOTAL SALES TAXES	1,776
	1,776

\*INCOME TAXES ARE BEING DEDUCTED

**Schedule A. Line 5b - Real Estate Taxes**

Description	Amount
NONBUS RE TAX - FORM 8829	7,278
TOTAL	7,278

**Schedule A. Line 8a - Home Mortgage Interest & Points From Form 1098**

Description	Amount
MORT INT FROM 8829 FORM/WRKST	\$ 22,665
TOTAL	\$ 22,665

**Schedule A. Line 8c - Points Not Reported on Form 1098**

Description	Amount
RPM MORTGAGE	\$ 53
TOTAL	\$ 53

**Federal Statements****Environmental Consulting****Schedule C. Line 1 - Gross Receipts or Sales**

<u>Description</u>	<u>Amount</u>
	\$ 4,341
	24,085
TOTAL	<u>\$ 28,426</u>

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**Federal Statements****Environmental Consulting****Form 8829, Line 10 - Indirect Deductible Mortgage Interest and Qualified Mortgage Insurance**

<u>Description</u>	<u>Amount</u>
MORTGAGE INTEREST (8829, C, 1)	\$ 24,877
TOTAL	\$ 24,877

**Environmental Consulting****Form 8829, Line 17 - Indirect Insurance**

<u>Description</u>	<u>Amount</u>
INSURANCE (8829, C, 1)	\$ 1,198
TOTAL	\$ 1,198

**Environmental Consulting****Business Use of Home, Line 21 - Other Expenses**

<u>Description of Property</u>	<u>Direct Expenses</u>	<u>Indirect Expenses</u>
INTERNET, TV, PHONE	\$	\$
TOTAL	\$	\$ 0

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## Federal Statements

## ADP Totalsource MI VII LLC

Form W-2, Box 12

Description	Amount
COST OF GROUP TERM LIFE INSURANCE COVERAGE OVER 50,000	\$
COST OF EMPLOYER-SPONSORED HEALTH COVERAGE	
TOTAL	\$ 0

## ADP Totalsource MI VII LLC

Form W-2, Box 14 - Other

Description	Amount
STATE DISABILITY INSURANCE WITHHOLDING (SDI)	\$
TOTAL	\$ 0

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## MDRC

Form W-2, Box 12

Description	Amount
COST OF GROUP TERM LIFE INSURANCE COVERAGE OVER 50,000	\$ 190
SECTION 403(B) CONTRIBUTIONS	8,357
COST OF EMPLOYER-SPONSORED HEALTH COVERAGE	29,271
TOTAL	<u>\$ 37,818</u>

## MDRC

Form W-2, Box 14 - Other

Description	Amount
STATE DISABILITY INSURANCE WITHHOLDING (SDI)	\$ 884
TOTAL	<u>\$ 884</u>

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**Federal Statements**

ROCKefeller Philanthropy Advisors I

Form W-2, Box 14 - Other

Description	Amount
STATE DISABILITY INSURANCE WITHHOLDING (SDI)	\$
TOTAL	\$ 0

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**Federal Statements****Environmental Progress****Form W-2, Box 14 - Other**

<u>Description</u>	<u>Amount</u>
STATE DISABILITY INSURANCE WITHHOLDING (SDI)	\$ <u>1,150</u>
TOTAL	\$ <u>1,150</u>

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10/13/2019 6:19 PM

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# **Federal Asset Report** **Environmental Consulting**

FYE: 12/31/2018

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	Per Conv Meth	Prior	Current
<b>Prior MACRS:</b>									
1	Home Office	1/01/16	570,500	8.89		50,717	39 MMS/L	2,547	1,300
			<u>570,500</u>			<u>50,717</u>		<u>2,547</u>	<u>1,300</u>
<b>Other Depreciation:</b>									
2	Land	1/01/16	244,500			244,500	0 -- Land	0	0
			<u>244,500</u>			<u>244,500</u>		<u>0</u>	<u>0</u>
<b>Total Other Depreciation</b>									
								0	0
<b>Total ACRS and Other Depreciation</b>			<u>244,500</u>			<u>244,500</u>		<u>0</u>	<u>0</u>
<b>Grand Totals</b>			815,000			295,217		2,547	1,300
<b>Less: Dispositions and Transfers</b>			0			0		0	0
<b>Less: Start-up/Org Expense</b>			0			0		0	0
<b>Net Grand Totals</b>			<u>815,000</u>			<u>295,217</u>		<u>2,547</u>	<u>1,300</u>

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# AMT Asset Report

## Environmental Consulting

FYE: 12/31/2018

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	Per Conv Meth	Prior	Current
<b>Prior MACRS:</b>									
1	Home Office	1/01/16	570,500	8.89		50,717	39 MMS/L	2,547	1,300
			<u>570,500</u>			<u>50,717</u>		<u>2,547</u>	<u>1,300</u>
<b>Other Depreciation:</b>									
2	Land	1/01/16	0			0	0 HY	0	0
	Total Other Depreciation		<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>
	Grand Totals		570,500			50,717		2,547	1,300
	Less: Dispositions and Transfers		<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>
	Net Grand Totals		<u>570,500</u>			<u>50,717</u>		<u>2,547</u>	<u>1,300</u>

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10/13/2019 6:19 PM

**Depreciation Adjustment Report**  
**All Business Activities**

FYE: 12/31/2018

<u>Form</u>	<u>Unit</u>	<u>Asset</u>	<u>Description</u>	<u>Tax</u>	<u>AMT</u>	<u>AMT Adjustments/ Preferences</u>
<b>MACRS Adjustments:</b>						
C	1	1	Home Office	1,300	1,300	0
				<u>1,300</u>	<u>1,300</u>	<u>0</u>

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**Future Depreciation Report** **FYE: 12/31/19**  
**Environmental Consulting**

10/13/2019 6:19 PM

FYE: 12/31/2018

Asset	Description	Date In Service	Cost	Tax	AMT
<b>Prior MACRS:</b>					
1	Home Office	1/01/16	570,500	1,301	1,301
			570,500	1,301	1,301
<b>Other Depreciation:</b>					
2	Land	1/01/16	244,500	0	0
	Total Other Depreciation		244,500	0	0
	Total ACRS and Other Depreciation		244,500	0	0
	Grand Totals		815,000	1,301	1,301

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Form **1040****Salaries & Wages Report****2018**

Name

**MICHAEL SHELLINGER & HELEN LEE**

Taxpayer Identification Number

T/S	Employer	Federal Wages	Federal Withheld	Soc Sec Wages
A	T ADP TOTALSOURCE MI VII LLC			
B	S MDRC	80,266	12,278	88,623
C	T ROCKEFELLER PHILANTHROPY ADVISORS I			
D	T ENVIRONMENTAL PROGRESS	199,000	31,492	128,400
E				
F				
G				
H				
I				
J				
K				
L				
M				
	Taxpayer	199,000	31,492	128,400
	Spouse	80,266	12,278	88,623
	Totals	279,266	43,770	217,023

	Soc Sec Withheld	Medicare Wages	Medicare Withheld	Soc Sec Tips	Allocated Tips	Dep Care Ben	Other, Box 14
A							
B	5,495	88,623	1,285				884
C							
D	7,961	199,000	2,886				1,150
E							
F							
G							
H							
I							
J							
K							
L							
M							
	Taxpayer	7,961	199,000	2,886			1,150
	Spouse	5,495	88,623	1,285			884
	Totals	13,456	287,623	4,171			2,034

	State	State Wages	State Withheld	Name of Locality	Local Wages	Local Withheld
A	CA					
B	CA	80,266	5,408		80,266	
C	CA					
D	CA	199,000	16,878		199,000	
E						
F						
G						
H						
I						
J						
K						
L						
M						
	Taxpayer	199,000	16,878		199,000	
	Spouse	80,266	5,408		80,266	
	Totals	279,266	22,286		279,266	

Form **1040****Two Year Comparison Report - Page 1****2017 & 2018**

Name

**MICHAEL SHELLINGER & HELEN LEE**

Taxpayer Identification Number

		2017	2018	Differences
		MFJ	MFJ	
Filing Status		1	1	
Dependents claimed				
1.	Salaries and wages	258,995	279,266	20,271
2.	Interest income			
3.	Tax exempt interest income			
4.	Dividend income			
5.	Qualified dividend income			
6.	Taxable state/local refunds			
7.	Alimony received			
8.	Business income/loss	74,836	23,798	-51,038
9.	Capital gain/loss			
10.	Other gains/losses			
11.	Taxable IRA distributions			
12.	Taxable pensions			
13.	Rent and royalty income including farm rental			
14.	Partnership/S corp income			
15.	Estate or trust income			
16.	Farm income/loss			
17.	Unemployment compensation			
18.	Taxable social security			
19.	Other income			
20.	Total income	333,831	303,064	-30,767
21.	Moving expenses			
22.	Deductible part of self-employment		319	-858
23.	SEP/SIMPLE/Qualified plans deductions	14,752	4,696	-10,036
24.	SE health insurance			
25.	Penalty on early withdrawal of savings			
26.	Alimony paid			
27.	IRA deductions			
28.	Student loan interest			
29.	Other adjustments			
30.	Adjusted gross income	317,922	298,049	-19,873
31.	Medical			
32.	Taxes	39,277	10,000	-29,277
33.	Interest	22,718	22,718	
34.	Contributions			
35.	Casualty losses			
36.	Miscellaneous expenses			
37.	Allowable itemized deductions	61,871	32,718	-29,153
38.	Standard deduction	12,700	24,000	11,300
		ITEMIZED	ITEMIZED	
39.	Deduction taken	61,871	32,718	-29,153
40.	Subtract line 39 from line 30	256,051	265,331	9,280
41.	Exemptions	11,664		-11,664
42.	Taxable income before Qual Bus Inc Ded (QBID)	244,387	265,331	20,944
43.	QBID (plus DPAD)	0	3,757	3,757
44.	Taxable income	244,387	261,574	17,187

Form **1040**

## Two Year Comparison Report - Page 2

2017 &amp; 2018

Name

**MICHAEL SHELLEMICH BERGER & HELEN LEE**

Taxpayer Identification Number

	2017	2018	Differences
45. Taxable income from 2YR page 1, line 44	244,387	261,574	17,187
46. Tax on taxable income	55,865	51,357	-4,508
47. Alternative minimum tax	8,777		-8,777
48. Excess advance premium tax credit			
49. Child care credit			
50. Education credits			
51. Retirement savings credit			
52. Child & other dependent tax credit			
53. General business credit			
54. Other credits			
55. Total credits			
56. Net tax liability			
57. Self-employment taxes	64,642	51,357	-13,285
58. Other taxes	2,354	637	-1,717
59. Total tax	831	537	-294
60. Income tax withheld	67,827	52,531	-15,296
61. Estimated tax payments	49,292	43,770	-5,522
62. Earned income credit			
63. Additional Child tax credit			
64. Other refundable tax credits			
65. Other payments			
66. Total payments	49,292	43,770	-5,522
67. Tax due/-refund	18,551	8,761	-9,774
68. Penalties and interest	3,344		-1,324
69. Net tax due/-refund	19,899	8,761	-11,098
70. Refund applied to estimated tax payments			
71. Refund received			
72. Effective tax rate	28.0 %	20.0 %	

## Two Year Comparison - Tax Reconciliation Marginal Tax Rates

	2017 Taxable Income	2017 Marginal Tax Rate	2018 Taxable Income	2018 Marginal Tax Rate
Ordinary income	244,387	33.0 %	261,574	24.0 %
Capital income		%		%
Capital - Sec. 1250		%		%
Capital - Sec. 1202		%		%

Form <b>1040</b>	<b>Two Year Comparison Report - Schedule C</b>	<b>2017 &amp; 2018</b>
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Name **MICHAEL SHELLENBERGER** Taxpayer identification number XXXXXXXXXX

Principal business or profession **ENVIRONMENTAL CONSULTING** Unit **1**

Income		2017	2018	Differences
1. Gross receipts or sales	1.	79,465	28,426	-51,039
2. Returns and allowances	2.			
3. Cost of goods sold	3.			
4. Gross profit	4.	79,465	28,426	-51,039
5. Other income	5.			
6. Gross income	6.	79,465	28,426	-51,039

Expenses				
7. Advertising	7.			
8. Car and truck expenses	8.			
9. Commissions and fees	9.			
10. Contract labor	10.			
11. Depletion	11.			
12. Depreciation and section 179 expense deduction	12.			
13. Employee benefit programs	13.			
14. Insurance (other than health)	14.			
15. Interest - mortgage (paid to banks, etc.)	15.			
16. Interest - other	16.			
17. Legal and professional services	17.			
18. Office expense	18.			
19. Pension and profit-sharing plans	19.			
20. Rent or lease - vehicles, machinery, and equipment	20.			
21. Rent or lease - other business property	21.			
22. Repairs and maintenance	22.			
23. Supplies (not included in cost of goods sold)	23.			
24. Taxes and licenses	24.			
25. Travel	25.			
26. Total meals and entertainment	26.			
26a. Nondeductible meals and entertainment	26a.			
26b. Deductible meals and entertainment	26b.			
27. Utilities	27.			
28. Wages (less employment credits)	28.			
29. Other expenses	29.			
30. Total expenses	30.			

Profit/ (loss)		2017	2018	Differences
31. Tentative profit (loss)	31.	79,465	28,426	-51,039
32. Expenses for business use of home	32.	4,629	4,628	-1
33. Net profit or (loss)	33.	74,836	23,798	-51,038

Cost of Goods Sold				
34. Inventory - Beginning of year	34.			
35. Purchases	35.			
36. Labor	36.			
37. Materials	37.			
38. Other costs	38.			
39. Goods available for sale (sum of lines 34-38)	39.			
40. Inventory - End of year	40.			

Form 1040

## Tax Return History Report - Page 1

Name	2014		2015		2016		2017		2018		2019 PROJECTED	
	MFJ		MFJ		MFJ		MFJ		MFJ		MFJ	
<b>Filing Status</b>												
Salaries and wages	306,982		321,496		236,586		258,995		279,266		279,266	
Interest income												
Dividend income												
Business income/loss	6,597											
Capital gains/losses					221,086		74,836		23,798		23,798	
Other gains/losses												
IRA distributions, pensions, annuities												
Rent, royalty, farm rental income												
Partnership/S corp income												
Estate or trust income												
Farm income/loss												
Other income/loss	1,350		3,275									
<b>Total Income</b>	314,929		324,771		457,672		333,831		303,064		303,064	
Total adjustments	1,391				47,504		15,909		5,015		5,015	
<b>Adjusted gross income</b>	313,538		324,771		410,168		317,922		298,049		298,049	
Allowable itemized deductions	62,624		51,830		11,814		11,871		32,718		32,718	
Standard deduction	12,400		11,600		12,700		12,700		24,000		24,000	
<b>Itemized or standard deduction taken</b>	62,624		66,830		61,814		61,871		32,718		32,718	
Exemptions	10,902		10,560		2,430		11,664					
<b>Taxable income before Qual Bus Inc Ded</b>	240,012		247,381		345,924		244,387		265,331		265,331	
Qual Bus Inc Ded (plus DPAD)									3,757			
<b>Taxable income</b>	240,012		247,381		345,924		244,387		261,574		265,331	

\* The amounts in the projected column generate from the federal Tax Projection Worksheet (TPW) and this field is included in the total Schedule E income/loss amount on the TPW.

Form 1040

## Tax Return History Report - Page 2

2018

Form 1040		MICHAEL SHELLENBERGER & HELEN LEE			Taxpayer Identification Number		2019 PROJECTED	
Name	2014	2015	2016	2017	2018			
Taxable income	240,012	247,381	345,924	244,387	261,574	265,331		
Tax on taxable income and Form 8962	55,108	57,165	89,568	55,865	51,357	52,028		
Alternative minimum tax	7,182	8,610	6,146	8,777				
Total credits	62,290	65,775	95,714	64,642	51,357	52,028		
Net tax liability	177		8,215	2,354	637	637		
Self-employment taxes	630	643	1,757	831	537	536		
Other taxes								
Total tax	63,097	66,418	105,686	67,827	52,531	53,201		
Income tax withheld	62,029	27,804	32,639	49,292	43,770	43,770		
Estimated tax payments								
Other payments								
Total payments	62,029	27,804	32,639	49,292	43,770	43,770		
Total dual-refund	1,068	38,614	73,047	18,535	8,761	9,431		
Penalties and interest		2,779	5,119	1,324				
Net tax dual-refund	1,068	41,393	78,166	19,859	8,761	9,431		
Refund applied to estimated tax payments								
Refund received								
Marginal tax rate	33.0 %	27.0 %	33.0 %	33.0 %	24.0 %	24.0 %		
Effective tax rate	26.0 %		31.0 %	28.0 %	20.0 %	20.0 %		

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<b>Form</b> <b>1040</b>	<b>Reconciliation Worksheet - Taxable Income &amp; Tax</b>	<b>2018</b>
Name <b>MICHAEL SHELLENBERGER &amp; HELEN LEE</b>		Taxpayer Identification Number [REDACTED]

Tax brackets are rates applied to specific levels of taxable income. Various rates apply to different portions of the total taxable income. Type of income, further determines the rate applied. Marginal Tax Rate is the tax paid on the highest level of taxable income. This worksheet details how tax is calculated on ordinary income and capital gain income, the percentage of taxable income, marginal tax rate and the tax method used.

Filing Status **MARRIED FILING JOINTLY** Tax Pct Total Tax (In 27) divided Total Taxable Income (In 19) **20.0 %**  
 Tax Method **TAX RATE SCHEDULE**

Tax using ordinary and capital gains rates exceeds tax using only ordinary rates. Taxable income is taxed only using ordinary rates:		
Tax using capital gains rates	Tax using Ordinary rates	Tax savings

	Taxable Amount	Marginal Tax Rate	Tax on Taxable Income	Marginal Tax Rate - Income Range	Amount of Income to Next Tax Bracket
Ordinary Income	261,574	24.0 %	51,357	\$165,000 - \$315,000	53,426
Capital Income		%			
Capital Income - 1250		%			
Capital Income - 1202		%			

\*Tax on taxable ordinary income under \$100,000 is determined using IRS Tax Tables that impose the same amount of tax on taxable income within \$50 intervals. Therefore, the column (b) Tax may not be calculated as column (a) times the applicable line tax rate.

#### Income taxed at ordinary rates

	(a) Taxable Income	(b) Tax*
1. 10% rate MAXIMUM TAXABLE INCOME PER THIS BRACKET: \$19,050	1a. 19,050	1b. 1,908
2. 12% rate MAXIMUM TAXABLE INCOME PER THIS BRACKET: \$58,350	2a. 58,350	2b. 7,005
3. 22% rate MAXIMUM TAXABLE INCOME PER THIS BRACKET: \$87,600	3a. 87,600	3b. 19,266
4. 24% rate MAXIMUM TAXABLE INCOME PER THIS BRACKET: \$96,574	4a. 96,574	4b. 23,178
5. 32% rate	5a.	5b.
6. 35% rate	6a.	6b.
7. 37% rate	7a.	7b.
8. Total ordinary taxable income and ordinary tax. Add lines 1 through 7	8a. 261,574	8b. 51,357

#### Income taxed at capital gains rates

9. 0% capital gains rate	9a.	9b.
10. 15% capital gains rate	10a.	10b.
11. 20% capital gains rate	11a.	11b.
12. 25% capital gains rate Unrecaptured Section 1250 Gain	12a.	12b.
13. 28% capital gains rate Small business stock, collectibles	13a.	13b.
14. Total taxable capital gains and capital gains tax. Add lines 9 through 13	14a.	14b.

#### Total taxable income

15. Total ordinary taxable income. Enter the amount from line 8a.	15. 261,574
16. Total capital gains taxable income. Enter the amount from line 14a.	16.
17. Add lines 15 and 16.	17. 261,574
18. Enter the net foreign exclusion amount from the Foreign Earned Income Tax Worksheet, line 2c.	18.
19. Taxable income reported on 1040, line 10, (1040NR, line 41, or 1040NR-EZ, line 14). Subtract line 18 from line 17.	19. 261,574

#### Total tax

20. Total ordinary tax. Enter the amount from line 8b.	20. 51,357
21. Total capital gains tax. Enter the amount from line 14b.	21.
22. Tax on child's interest and dividend.	22.
23. Tax on lump-sum distribution.	23.
24. Other taxes.	24.
25. Add lines 20 through 24.	25. 51,357
26. Enter the tax allocated to the net exclusion amount from the Foreign Earned Income Tax Worksheet, line 5.	26.
27. Total tax reported on 1040, line 11, (1040NR, line 42, or 1040NR-EZ, line 15). Subtract line 26 from line 25.	27. 51,357